Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI PREM CHAND GUPTA: Sir, I beg to move:

That the Bill be passed.

The question was put and the motion was adopted.

THE DEPUTY CHAIRMAN: The House is adjourned to meet at 2.30 p.m.

The House then adjourned for lunch at nine minutes past one of the clock.

The House re-assembled after lunch at thirty minutes past two of the clock,

MR. CHAIRMAN in the Chair.

The Airports Economic Regulatory Authority of India Bill, 2008

MR. DEPUTY CHAIRMAN: We will now take up the Airports Economic Regulatory Authority of India Bill, 2008.

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): Sir, I beg to move:-

"That the Bill to provide for the establishment of an Airports Economic Regulatory Authority to regulate tariff and other charges for the aeronautical services rendered at airports and to monitor performance standards of airports and also to establish Appellate Tribunal to adjudicate disputes and dispose of appeals and for matters connected therewith or incidental thereto as passed by Lok Sabha be taken into consideration."

Mr. Deputy Chairman, Sir, I place before this august House the Airports Economic Regulatory Authority of India Bill, 2008 which was passed by the Lok Sabha on the 22nd of this month. As the hon. Members are aware, due to growth in the Civil Aviation sector, and also courtesy my friends sitting on the other side, there has been felt a need to improve and upgrade the Airport infrastructure in our country. The Airports Authority of India Act, 1994 and the Aircraft Rules, 1937 were amended to enable the participation of the private sector in the Airport sector for improving quality, efficiency of services, and also for increasing competition. As a result of these initiatives, Sir, many greenfield airports have now commenced operation in our country; notable amongst them are the Bangalore and the Hyderabad airports. And, also, earlier, a similar endeavour was made in the case of the Cochin Airport, which is also now a very successful model. In keeping with these trends of public-private partnership in the upgradation of our airport infrastructure, major airports of Mumbai and Delhi are also now restructured through a joint venture. And the major modernisation and upgradation of these two airports is also underway. Also, Sir, in the recent past, the Government of India has approved a new policy for the construction of greenfield airports and also upgradation of various other airports in the country. And the new Greenfield airport policy also envisages similar to what was done in Hyderabad and Bangalore, that is, the creation of more airport infrastructure through the PPP route. We will, certainly, see in the coming years a major upgradation and modernisation programme of various airports as well as construction of new airports. Sir, airports, wherever they are situated, are, virtually, a natural monopoly. Therefore, it is important that tariff fixation and other issues related to the economics of an airport and the level of services which they render are monitored in a diligent manner. Further, also, there is a need to create a level playing field amongst

the different categories of airports. Earlier, as we know, all airports were built by the Government and run by the Government. Then, we formed the Airports Authority of India and all airports were operated through the Government-sponsored company. But, now, with the various stakeholders in this country also, it becomes imperative that we have to keep some arm's length. The Government cannot regulate both the Government, as well as, the private airports. After all, we have to keep some arm's length and there has to be a level-playing field. Therefore, keeping all these issues in mind and keeping in mind the fact that the entire regime of airport infrastructure has undergone a basic transformation, and a level-playing field must be offered to all the operators, it was felt imperative that an independent regulatory authority be set up to regulate tariffs on aeronautical services to monitor and set performance standards. It should also ensure operation of efficient, economic and viable airports. As I said, since the airports in their own respective domain are virtual monopolies, they also cannot be left to an independent or a private operator or to any kind of operator, to charge whatever they feel, or which is in their interest. It has also to be matched, and it has to be made in tune with what is, basically, in the interest of consumers also. Therefore, an independent authority is needed and we have all seen it in other sectors also. It is not that it is a new development in this sector, we have seen regulatory frameworks in electricity, we have seen it in telecom and we have seen it in various other sectors. We have also found that regulatory mechanisms also bring in a level of discipline and it also enhances the kind of responsibility, which is there on operators of that sector. Therefore, Sir, keeping this in view, last year, we introduced the Airports Economic Regulatory Authority of India Bill, 2007, in the Lok Sabha, which besides setting up of the AERA, as we call it, also provides for establishing the Appellate Tribunal to decide disputes. Naturally, once we have a mechanism in place, we will also have to have an appellate mechanism put in place in case some body is not happy or is aggrieved with any decision which has been taken. Sir, in tradition with our Parliamentary system, the Bill was introduced and it was, then, referred to a Standing Committee which also went into it in great detail and, subsequently, submitted its Report in the earlier part of this year. Sir, it is just for your information that the Standing Committee is headed by one of our colleagues in this House, Shri Sitaram Yechury, who is Chairman of the Standing Committee. Sir, various recommendations of the Committee are, of course, enshrined in the Bill which has been brought forward before Parliament. But, we have also taken into account various important suggestions rightly made by the Standing Committee and we have given them a due consideration. Of course, there are a few issues on which we have not fully agreed, but that is not substantive enough in a way that there is no deviation from any of the essence of what the Standing Committee wanted us to incorporate in the Act. But, Sir, basically, the recommendation of the Standing Committee which was very important, which we ought to incorporate, was that they wanted an inclusion of some services like fuel infrastructure. Now, fuel at the airports, again, is a monopoly. Sir, we have infrastructure and, then, oil companies put their fuel into that infrastructure, that is known as 'throughput charges. So, these were needed to be covered also because, otherwise, again, it would be a monopoly and whoever would be using that infrastructure would be having to pay whatever charges are there. Ultimately, fuel has to be put into the plane. Since it was a monopoly infrastructure, it needed to be regulated in terms of pricing also. Otherwise, any oil

company, today, it is a Government company, but tomorrow private companies may also join in the supply of fuel and they should not be charging arbitrarily. Therefore, a good suggestion was made by the Standing Committee and we have sought to incorporate it. Also, there were a lot of other issues like, the Standing Committee thought that the charges for cargo facilities and others need to be brought within the purview of the regulatory framework. It was a good suggestion and, I think, we are in full agreement with this.

Ground handling services, cargo services are also an important element of service at the airports. It should not be that cargo being a non-passenger service does not attract everybody's attention in the conventional sense but it should not go unregulated. Therefore, that suggestion also, which was put before the Ministry by the Standing Committee, has been incorporated by us. Broadly, there was only one issue on which the Standing Committee thought that all non-aeronautical services should be brought within the purview of this thing. Non-aeronautical services are shops, tea-stalls, restaurant facilities and other things.

We felt that since there is enough competition in that area, we will not like to regulate those charges. But, at the same time, when the airport operators' charges are fixed, the tariffs are fixed, non-aeronautical revenues would be calculated by the Regulator to determine what would be the aeronautical tariffs. Therefore, it was explained and, I am sure, that all Members would understand the theme behind this thought-process.

Sir, besides this, most of the other issues have been accepted in terms of what the Standing Committee has recommended. So, Sir, the Bill, which has been passed by the Lok Sabha with official amendments, takes into account the recommendations of the Standing Committee to the extent indicated above. As I said, we have captured the essence of what the Standing Committee has mentioned. The most important of those issues have already been accepted by us. Therefore, Sir, I feel that this Bill, as brought before the Rajya Sabha now, be taken into consideration. The Members, I am sure, are going to give us their views. I certainly feel, Sir, that this is an expanding aviation sector. We all know the growth of the sector has been quite substantive in the last few years, minus a temporary slowdown in the last few months, because as we all know there are issues of high fuel prices. But that apart, the sector, *per se*, is on a high growth mode as a result of the change in the country, the aspirational change in the country, the economic change, the social change, the needs of a large country like India and therefore the Airport infrastructure. Certainly, I must say that there were 50 operational airports in India in 2004. There are more than 90 operational airports in India today! That shows that the level of services, the expanse and the reach of services has widened in the last four years and will keep on increasingly widening.

I would also like to just mention one point more, which was brought to my attention by some hon. Members, that these airports are those where 1.5 million and above passengers will be brought into the regulatory framework. That is only to begin with. But the Act expressly provides that if any airport needs to be brought within the regulatory framework, it can be done. So a beginning is made for including the bigger airports because that is where most of the activity and that is where most of the issues are. The smaller airports, right now, are still with the Airports Authority, and, therefore, the Government also has some kind of a control. But that does not mean that the Act, in any way,

expressly does not provide for inclusion of further airports within the ambit of the regulatory framework. ...*(Interruptions)*... So, I can only say that this Bill, keeping with the growth of the sector, is an essential part to also bring discipline and regulate the sector in future.

So, Sir, with these words, I would like the hon. Members to also air their views and, then, I will be happy to respond. But I am sure that all will understand that the spirit with which this Bill has been brought to this House is certainly to facilitate and regulate the growth of a very important sector.

The question was proposed.

श्री राजीव प्रताप रूडी (बिहार): उपसभापति महोदय, Airport Economic Regulatory Authority बिल लोक सभा में पारित होने के बाद, अब इस सदन में पेश किया गया है। As it has been mentioned, it is for the purpose of providing level-playing field for services provided and the fees charged by the Government-owned airports and the private airports have to be looked into. लेकिन आखिर इस बिल को लाने की परिस्थिति क्यों आई? ऐसा क्यों था कि इसकी चर्चा की आवश्यकता पड़ी? मुझे स्मरण है कि इस बात का प्रस्ताव हम लोग एन.डी.ए. की सरकार में 2003 में लाए थे। नरेश चन्द्र कमेटी की रिपोर्ट थी, उसके बाद इसकी चर्चा हुई। हालांकि इसमें बहुत वक्त लगा, इसमें तीन-चार साल लग गए। क्षमा कीजिए, सरकार इन प्रस्तावों पर तभी चर्चा करती है, जब रिटायरमेंट की तरफ जाती है, क्योंकि एक तो सरकार में यह होता है कि कुछ अफसर भी सरकार के साथ रिटायर कर रहे होते हैं, उनको कहीं adjust करना होता है, तब उनके प्रस्ताव लाए जाते हैं, ताकि सरकार के रिटायरमेंट के साथ उन अफसरों का भी adjustment हो। कई बार ऐसा सिलसिला चलता है, कई सरकारों में होता आ रहा है, इसलिए कोई आपत्ति का विषय नहीं है, लेकिन महोदय, यह एक बहुत महत्वपूर्ण विषय है कि आखिर यह चर्चा आज हम इस सदन में कर रहे हैं कि जो airports की monopoly है, उसको हम तोड़ें, ताकि उस पर अगर कभी किसी प्रकार की आधा-धापी हो, किसी प्रकार के जो taxes levy किए जाएंगे, उसकी मान्यता अगर नहीं दी जाएगी, अगर उसमें आपस में संवर्द्धन नहीं होगा, तो उसमें परिवर्तन करना है। आज प्राइवेट एयरलाइन्स की चर्चा होती है। वे कह रहे हैं कि जो-जो airports हैं, खास करके प्राइवेट सैक्टर के airports हैं, उनके tariff structures बहुत irrational हैं। महोदय, मैं यह चर्चा इसलिए ला रहा हूं कि आखिर इस देश में जो कुछ एविएशन सैक्टर में किया गया और वर्तमान सरकार, जो कांग्रेस की सरकार है, आम आदमी की सरकार, जिसकी हम चर्चा करते हैं, तो एविएशन सैक्टर में एक बूम आया और जब बूम आया, तो पैसेंजरों की संख्या बढ़ी, एयरलाइन्स की संख्या बढ़ी, यातायात बढ़ा, सब कुछ बढ़ा और परिणाम हुआ कि इस देश में इस ग्रोथ के बारे में हम चर्चा करने लगे। हमारे माननीय प्रफुल्ल पटेल जी ने चार वर्षों तब उसकी खूब ख्याति ली, लेकिन आखिर इसकी शुरुआत कहां हुई? आखिर ऐसा क्या हुआ इस देश में कि अचानक एविएशन सैक्टर में इतना बड़ा बूम आया? क्षमा कीजिए, सदन के दोस्तों को मैं बताना चाहूंगा कि इसके पीछे कुछ नीतिगत निर्णय लिए गए थे। आज भले ही हमारे मित्र जो कहें, लेकिन एविएशन इंडस्ट्री क्रैश कर गई है, क्रैश लैंडिग करा दी गई है और उसके पीछे कारण अनेक हैं, लेकिन उसकी चर्चा के लिए शायद इस सदन में अभी बोलने का मौका न मिले, लेकिन एविएशन सैक्टर में बूम कहां से आया? उपसभापति महोदय, आपको याद होगा कि वर्ष 2003 में एन.डी.ए. की सरकार ने कई ऐसे policy initiatives लिए थे। अगर मुझे स्मरण कराना हो 2003 के वर्ष में, तो हम लोगों ने सबसे पहले शुरुआत की। आज प्रफुल्ल जी लगातार पिछले चार वर्षों से आग्रह कर रहे हैं, वित्त मंत्री से निहोरा कर रहे हैं, कह रहे हैं कि साहब, इसके ए.टी.एफ. के दाम घटाए जाएं, फलाना किया जाए। अगर आपको सदन को स्मरण कराना होगा, तो अटल

बिहारी वाजपेयी की सरकार ने एक साथ 18-19 नीतिगत निर्णय लिए थे, वह भी चार महीने के भीतर! आपको स्मरण होगा कि भारत के इतिहास में पहली बार एविएशन टर्बाइन फ्यूअल का रिडक्शन यदि किया गया था, from 16 per cent to 8 per cent, इंडस्ट्री को इंसेंटिवाइज करने के लिए, तो 2003 में 16 परसेंट से 8 परसेंट किया गया था। इस देश में एविएशन को बढ़ाने के लिए पहली बार लो कॉस्ट एयरलाइन्स को launch किया गया था। आपको स्मरण होगा कि Air Decan की शुरुआत उसी समय हुई थी, पहली बार इस देश में, to provide the level playing field, ताकि कंपीटीशन बढ़े, सामान्य लोगों को उपलब्ध हो। प्राइवेट एयरलाइन्स को हमने इतने तक बढ़ावा दिया और कहा कि आप कंपीटिशन करें। हम लोगों ने उनको अंतर्राष्ट्रीय यात्रा पर जाने के लिए अनुमति दी। पहली बार इस देश में चार्टर पॉलिसी को रिवाइज़ किया गया होगा। प्रफुल्ल जी को याद होगा कि 2003 में इस देश में जो number of chartered flights आती थीं, 777 लगभग 105 के आसपास थीं, आज 747 jumbos और लगभग 1600 आते हैं। आपको स्मरण होगा, पहली बार इस देश में, क्योंकि हम चाहते थे कि सिविल एविएशन सैक्टर ग्रो करे, modernisation का प्रस्ताव आया और पहली बार इस देश में, दिल्ली और मुम्बई, दोनों airports को modernise करने का, प्राइवेटाइज़ करने का सरकार ने 2003 में निर्णय लिया। पहली बार इस देश में ग्रीनफील्ड प्रोजैक्ट्स की, जिनके उद्घाटन का काम अब प्रफुल्ल जी करके आते हैं और सोनिया जी करके आती हैं, पहली बार इस देश में यदि ग्रीनफील्ड एयरपोर्ट निर्माण का स्वरूप तैयार किया गया, तो वह भारतीय जनता पार्टी की सरकार का था, लेकिन महोदय, क्षमा कीजिए, उसके बाद से इस सदन में बैठकर, हमारे माननीय मंत्री बैठे हैं, एक भी निर्णय जो airport sector के infrastructure को बढ़ाने के लिए कामयाबी से किया गया हो, एक भी निर्णय इस सरकार ने नहीं किया है। हालांकि ये 40 airports की बात करते हैं, उसकी भी शुरुआत हम लोगों ने कराई थी। पता नहीं पांच वर्षों में उसमें कितनी उन्नति हुई। प्रफुल्ल जी को मैं दोष दूं या न दूं, उनके साथ बैठे हैं हमारी बायीं तरफ, उनकी भी मैं चर्चा करूंगा। महोदय, इसका परिणाम हुआ, यहां तक कि वायुसेना से ...आपको पता नहीं होगा, प्रफुल्ल जी बताएंगे, वायुसेना इस देश के बहुसंख्यक हवाई स्पेस पर कब्जा करके रखती है। हम लोगों ने Air Chiefs को बुलाकर लगातार बात की कि यह स्पेस हमें दो। कई initiatives लिए गए। महोदय, यहां तक कि हमारे जो नेशनल कैरियर्स थे, उस समय तक उनको इंटरनैशनल फ्युअल, जो इंटरनैशनल फ्लाइट्स के लिए ए.टी.एफ. की कॉस्ट, भारत के टैक्सेज पर देना पड़ता था, हम लोगों ने कहा कि भारत के जो विमान अंतर्राष्ट्रीय स्तर पर जाएंगे, उनको एविएशन का चार्ज इंटरनैशनल स्तर पर लगेगा। हम लोगों ने लगातार ऐसी रियायतें दीं, ऐसी मूलभूत संरचना की कि देश में एविएशन सैक्टर में विस्तार हुआ और मैं कहना चाहता हूं कि तीन वर्षों तक इस देश ने अंतर्राष्ट्रीय सैक्टर में लगभग 15 फीसदी ग्रोथ और डोमेस्टिक सैक्टर में लगभग 40 फीसदी ग्रोथ पिछले 2006-07 तक रिकॉर्ड की। लेकिन इसके साथ-साथ एक और चीज़ इस देश में हुई। महोदय, यह जानना बड़ा महत्वपूर्ण है कि हम लोगों ने प्रतिस्पर्धा बनायी थी। हम लोगों ने कहा कि इस देश में एयरलाइन्स आएं, कंपीटिशन हो। सबसे पहली बार जब 2003 में हम लोगों ने एविएशन सेक्टर में लो कॉस्ट एयरलाइन्स को इंट्रोड्यूज किया और डक्कन और कैप्टन गोपीनाथ जब इस देश में उस कॉसेप्ट को लेकर आए तो पहली बार इस देश में एक कार्टल उस समय जेट एयरलाइन्स, सहारा और इंडियन एयरलाइन्स का था - उस कार्टल को हम लोगों ने लो कॉस्ट एविएशन को लाकर तोड़ डाला। उसके बाद आपको याद होगा, ऐपेक्स फेयर इस देश में आया। फिर लगातार फेयर्स नीचे गिरते गए और एक बार एक वातावरण बना, कैपेसिटी बढ़ी और पैसेंजर्स की ग्रोथ हुई। जब पैसेंजर्स की ग्रोथ होती है, जब पैसेंजर्स की संख्या में बढ़ोत्तरी होती है तो ग्रोथ होती है, डिमांड होती है, इनफ्रास्ट्रक्चर होता है, एम्प्लायमेंट होती है, इनवेस्टमेंट होती है। एक चेन इस्टेब्लिश हुई, for the slew of policy measures taken by the NDA Government. Now what happens? This is what my friend, Praful, must answer. This House for the last four years has been witnessing this conversation of a norm, 'We are going for consolidation'. What has happened? First, Jet Airways purchases Sahara. The whole House is sitting here. There is

no discussion taking place. The country is watching. The first action is there. Then what happens? Deccan is purchased by Kingfisher. Everyone is quietly watching; it is happening. Then what happens? An unmindful action, the biggest disaster in the public sector perpetrated by this Government was the merger of Indian Airlines and Air India under the very nose of this Government destroying that national carrier, completely finishing if off. This is the first time a national carrier has been killed brutally by merging. The country was watching it and all was being said, "It is in the name of consolidation, you will increase productivity and you will have more efficient airlines." The cartel which was broken by the NDA regime between Jet, Sahara and Indian Airlines which were ruling the country for 30 years was re-established and all in the name of consolidation. One month ago, what happens? Now, every small airline has been swallowed by big airlines. Now, these big airlines start crying that they are in losses, and two major giants of the private sector which have gulped down and taken away the national carrier come together-the Kingfisher and the Jet Airways come together - and they start saying that they have to build up a strategic relationship. This is what has happened. You have killed the industry from top to bottom. You have killed the passengers. Airfares have gone up. Air traffic which had gone up to 40 per cent has come down. My friend, Praful, will say that it is a short-time thing. But the air traffic, this quarter, has plummeted devastatingly to (-) 10 per cent. Never in the Indian history the air traffic had come down so much. Why? I will not blame him exclusively. The year-end will record a net drop in traffic to (-) 16 per cent. Is it not a crash landing of the Civil Aviation sector? Has not the Civil Aviation sector which was for the Aam Aadmi been doomed completely? The airfares have gone sky-rocketing. Why? The Government was saying the prices of fuel, the prices of fuel, the prices of fuel. We are seeing the complete crash landing of the Civil Aviation sector under the very nose of this Government and nothing is left for the future, my friends. You will never have a regime where you are going to see a low-cost airline. My friend, Praful, may be smiling there, but I can tell you, Sir, this sector had created employment. This sector was generating employment. Forty thousand to fifty thousand direct crew people were involved. There were a lot of ground handling, pilots coming in, aviation coming in, flying schools coming in and boys going abroad. All has come down. Every day we are receiving calls that this company is sacking so many pilots, that there are so many airlines people who are being sacked everywhere, left and right. Well, it must be his personal influence, but we must thank the Government that they have somehow persuaded to prevent the sacking of those young boys whose cheeks were loaded with tears. I think that was a good action. But there are few more things which I would like to mention. What did the Government do to sustain this growth? And, this is the question I will not blame Praful for that because there in the Government, possibly, the gentleman responsible for him hates the look of his alliance partner. He is a man who is all to himself. There was not a single financial incentive given to an industry, and you require a level-playing field because Railways is subsidised, road transport is subsidised. But, why is aviation sector not subsidised? I don't talk about subsidy, but incentives from the Government, which would have sustained the growth, were stopped during this Government, stopped by the choice of the Finance Minister. The Finance Minister possibly – maybe a lot of flights, which Mr. Praful took to Mumbai and London, possibly was not liked by him – did not

like the friends which he had. But, that is their internal matter. Mr. Praful will settle it out. I will not mention much about it. Sir, there is a DGCA report and this must be an eye-opener to all my friends in the House. Because we will not be here; the Government may or may not be here, but the fact remains that after gulping the domestic national carrier, now, we proudly say that the private sector has more than 80 per cent of the market share. Absolutely okay, Sir. You have eaten away the national carrier of the domestic airlines. It is all right. But, please, spare the international sector. For 2007, the DGCA report says, "Air India, Indian Airlines, Air India Express have an international market share of 28.5 per cent. Jet Airways has 3.1 per cent." It was in 2007. In 2008, the DGCA report says, "For Indian Airlines, Air India, Air India Express, the market share on international traffic has come down to 22 per cent and the Jet Airways has gone up to 12 per cent." It is in one year. They have every right to cry. They have every right to think. But, the Government has no business to kill the national domestic and international carrier. It is a fault which only history will say. This is one of the examples of what is happening. Sir, my friends here from the Left, I cannot see many of them, have been shedding crocodile tears all this while. This monopolisation, this cartelisation, this merger of Indian Airlines and Air India, everything has been happening in their presence. All this disaster in the civil aviation sector has been done under their nose, in the presence of the Left partners, all four years. Where have they been? Now, they are accusing the Civil Aviation Minister of many things. I have heard them. They have no right to accuse the Civil Aviation Minister because they are equally responsible for whatever has happened in the civil aviation sector during the last four years. They are equally to be blamed. They cannot put the blame on any other person because they have been partner in this Government.

Sir, now, I will talk about the merger of Indian Airlines and Air India. They say that it will result in consolidation, increased revenue, increased traffic, reduction of costs, etc. We still remember Vayudoot. I do not know whether some of you remember Vayudoot or not. Vayudoot was merged with Indian Airlines. Thirty years later, there are hundreds of disputes still pending of Vayudoot with Indian Airlines. They intended to merge Air India with Indian Airlines, two distinct identities. They have nothing in common. And, they have created a situation where a national carrier has been completely destroyed. Sir, this country is funny. We have seen in the House there are friends because there is something called the 'king of good times'. Now, that friend is 'king of bad times' for the aviation sector. Now, there is a peculiar fancy. Some people in the Government have a fancy for the red. I do not know whether it is Kingfisher or not. Some people have a fancy for the blue. Well, I do not know whether it is Jet Airways or not. But, at least, we have a fancy for something in saffron, that is, the Indian Airlines and the Air India. At least, for God's sake, if you can fancy the red and the blue, please, also have small fancy for saffron. Why can't you have some fancy for the saffron which is losing colour every day? Sir, I do not know whether the Government was interested in supporting the civil aviation sector, but now the time has run out. My friend, Mr. Praful, whatever you may do, whatever effort you may make, nothing is going to improve because I do not think you have anything to gain; the country has completely lost faith in this Government and you are a part of it. You took a very wrong decision staying with them four years ago. Now, you will have to pay the price because you stayed with them. But, anyway, we still care for you. So, you can decide about it.

...(Interruptions)... Sir, they are talking about Declared Goods. And, it is very important. The Government should have planned it out, taken the Opposition into confidence. But, even look at these Congress-ruled States. The largest fuel pick-up in this country for the aviation sector is between Mumbai and Delhi, both are Congress-ruled States.

Just see the collections of sales tax on ATF from these two States. Mumbai records 25 per cent and Delhi records 20 per cent. Even if they have an iota of consideration for an ally which is called 'Praful Patel' and the NCP, they would have at least considered lowering this rate.

Now, they are asking the entire country to clear 'Declared Goods.' Yes, we will support this 'Declared Goods' at four per cent. But the Finance Minister must also say it on the floor of the House that you will bring down the ATF from eight per cent to four per cent. He will also have to say that you will bring down the customs duties. Let there be an overall voice to support the civil aviation sector. It cannot be a monopoly of the Congress Party, after destroying it, trying to take credit out of it. We are prepared for that.

And, I will also tell you, Sir, that Government decisions are taken fast. Sir, if I recall, when I wanted this to be reduced from 16 per cent to eight per cent, it took me just forty minutes. That was the kind of Government which we had. We have the Leader of Opposition, Shri Jaswant Singh, here. I walked up to his chamber with my officers, talked to him for forty minutes, and the ATF was brought down from 16 per cent to eight per cent. This was how the NDA used to work. You have been working for four years – just see forty minutes to four years - and you could not get a single decision implemented. This is the difference between the NDA led by Shri Atal Bihari Vajpayeeji and yours led by the Prime Minister today. This is the difference. If we can take advantage, let the country know that this is the speed with which the Government works. That is what we give to the nation when we have to give.

Sir, they are talking about these airports. Sir, I will take another five minutes. They are talking about the nationalisation of fares and other things. We in Government did everything to remove financial costs on the Government. If you remember, there was something called 'IATT' written on tickets purchased before 2003. We removed it. There was something called 'FTT' written on them. We removed it. Today, every ticket has a fuel surcharge of Rs.3,400. You are talking about waiving of taxes. You have taxes on tickets!

Now, I come to these two new airports. We were the architect of these two new airports. But how have they handled it? How have they created it? A common employee at the airport cannot dream even to get a cup of tea. What is this modernisation? A common labourer working at the airport does not even have a glass of water. How do you want to run this country? You go to the Hyderabad Airport and try to find a counter where you can get tea for two rupees for an employee. Even water is sold now. What is this Government doing?

On flooring of the Hyderabad Airport, they have not even monitored the quality of the international airports. They were sitting back and did not realise that a big thing was happening to the

country. They have not monitored the development of the greenfield projects. They are clueless how these airports have been made. They did that, but they are clueless. Even if you look at the flooring, it is the third-rated flooring ever made in this country at airports. Simply because it is a new structure, simply because it is a new idea, you cannot give a licence to anyone to get a sub-quality product for the country. That is what we have been talking.

They have imposed taxes on tickets. Any ticket we purchase, we spend about Rs.3400 on tax. Take the case of the Bangalore Airport. Any flight originating from Delhi or anywhere reaching Bangalore is charged Rs.625 extra. For any flight originating from anywhere in the country reaching Hyderabad, we have to pay Rs.375. What is the revenue model which has been generated? Every action of the Government, on every front, is only to increase prices. Where is the affordability of tickets? Where is the security of job? Everything is only money, money, and money!

The boom in civil aviation sector had been created simply for the reason that affordability was the concept. When tickets are affordable, many people travel. When many people travel, more investment is required, more infrastructure is required, and more employment is generated. The whole philosophy of the civil aviation sector, on the economic side, is completely collapsed.

Friends, I have said all these points with a purpose. We are all concerned with what is happening in the civil aviation sector. I would not like to point out what Mr. Praful has said. He may have made his efforts. I can understand the constraints of the coalition Government. But the priority of this Government is different. They don't understand whether civil aviation has anything to do with the infrastructure. I can understand his constraints. But it is time to bail out the sector.

I am not talking about it. He has taken a decision three days ago. The decision itself was flawed because for those airlines he has got the oil companies' credit being extended by another 30 days. But there are airlines which are not defaulted. But those airlines which are not defaulted have lost this opportunity. Now, it is just like the loan waiver scheme that anyone who has not defaulted lost the opportunity. You are helping those who have defaulted. So, the policy of the Government is not known. We have all friends. We all know people. But the country's interest can't be put at stake.

My friends, it is with a very heavy heart that I talk about the disaster witnessed in the civil aviation sector for which this Government is squarely responsible. This is the tip of the iceberg. This is not the end of the story. As what we have done with the economy of this country, as what we have done with whatever has been happening in this country in the last five years, this is just part of it. We can't blame Mr. Praful Patel alone for this. The Government *in toto* has been responsible for the disaster of the civil aviation sector. With a very heavy heart, with almost a sense of disappointment, I still feel constrained to support this Bill. Whatever small efforts could be done, they should be done. But the modalities, the procedure, the actions, the intentions and the commitment of this Government has been zero on the civil aviation front. This is all what I have to put before this House. Thank you very much. It is my maiden speech. Thank you.

MR. DEPUTY CHAIRMAN: That is why I didn't ring the bell. Dr. Keshava Rao.

DR. K. KESHAVA RAO (Andhra Pradesh): Mr. Deputy Chairman, Sir, I am sure, the flight of Mr. Rudy, who had arrived in Delhi today, did not crash-land. His flight landed very well. So, let us not think when an individual flight could not crash-land. ...*(Interruptions)*...

SHRI RAJIV PRATAP RUDY: I am a pilot. ...*(Interruptions)*...

DR. K. KESHAVA RAO: I know. That is why we are looking to a pilot like you that they don't crash-land at all, let alone the industry crash-land today.

Now, let us really understand what we are trying to talk about today. It is true that, after hearing you, I think, there is no other measure which is more wanting than the regulation of the entire industry. That is the case that you have been making out. Right before you is a Bill which is trying to attempt at such regulations. It is not a new mechanism that we are trying to look into. It is not a new legislation that we are trying to look into. We have, as you have yourself said, this kind of mechanisms, this kind of framework, available in most of the places where the Government has a larger say. Till yesterday Air India authority had total monopoly. Now, with more of PPP, more of privatisation taking place and more of private money coming in, we are thinking what kind of a thing we must do. I do agree that in 2003 you brought down the ATF from 16 per cent to 8 per cent. But you have effected increase on many things that affected the poor people. That was your policy. I am not trying to get into that. If I were to compare the entire track record of the NDA with the UPA, where and what kind of taxes were brought down and what kind of taxes were increased, what kind of tax concessions you have given to the rich and what kind of taxes you have introduced which affected the poor people, that would have exposed a different thing. You could have made a very good speech if it was during the Budget Session and you could have said whether it should come down or not. But the aviation industry as such, if you are trying to take the general umbrella look at that, this is true that the aviation industry which had a boom for the last one decade did nosedive during the last few months. There is no denying the fact. You have told us the reasons and the reasons are explained here by the Minister also. The question, today, is more about credibility. I share most of the sentiments expressed by you. I do agree, today, in the name of green-fields, there is expansion. After all, for the kind of expansion that you have envisaged, for the kind of expansion that you have said, we do need more of private money, whatever be somebody's individual reservations. But we do need that kind of money and that will come only from the private sector. Before I get into that, as far as the very philosophy and the economic policy of consolidation of public sector undertakings are concerned, when cartel takes place in private units, they go and depend on pricing with the intention of profiteering. But, when consolidation takes place, it takes place between two units of the same company which loses in operational packages. Now, that kind of a loss has to be filled in. That is done through consolidation or rationalisation. This is absolutely an economic theory. I am not trying to read it from Keynsien classicism, nor abstract Marxism or New-liberalisation of NDA. But this is from our pragmatism. Consolidation cannot be thrown to the winds, the way you have done it. But it is also true that the turbulence in which we are today could be because we had gone the whole hog to encourage the industry without looking into what it would do. Going by the

trends in the international aviation industry, we knew the industry had the potential; we knew India had a market. Looking at the potential, the private sector did come in to tap the market; they participated in a race where they had to outdo each other. That did happen. It happened with the Jet Airways. Some airlines tried to take over other airlines and tried to build cartels but went crashing because of their cartels, or because of takeovers and mergers or they might crash tomorrow. It is all there to see.

Having said that, I would now like to concentrate on the provisions of the Bill. I wish the Minister had a second look at the Bill. My colleague, a very good lawyer, Mr. Gnanadesikan, would talk about some of the provisions that are really not conducive to the development of aviation sector. For example, one of the clauses says that if a person wilfully violates the law, he has to be brought to book, but if he does not do it "wilfully," then he has to be let off. We are talking of Clause 3, which says that if a group of people wished to complain to the Appellate Authority, it is possible to do so, but if a single person wants, he cannot do that. These are the points on which you should have tried to lay emphasis on.

Now, why did you think of a regulation at all? It is not as if this is a new regulation. I would say, if a situation did arise, where we thought that the aviation industry which was working without any kind of a discipline, should be brought to some kind of a regulations, then why did it happen at all? It happened, in general terms, because the way it started expanding, the way the private money started flowing in, the way aircraft were introduced, the way new companies were coming in, there was nothing but much of a chaos, if not gate-crashing as such. What really happened? I am talking of the airports. Today, we have 126 airports. The Minister gave some other figure. The Minister knows it better than me. We have 89 to 90 domestic airports and there are some other airports. When we look into that, we feel that most of these airports need to be modernised. You have a plan to introduce it in five metres. You have a "new concept" to introduce in the name of Greenfield, which the NDA Government wanted to do. I do not know what exactly Greenfield is. I know about Hyderabad; you have made a reference to it. The Hyderabad Airport gets 5,000 acres of land, I do not know for what reason. I do not know if any study was conducted as to what kind of an area was required for an airport. Hyderabad Airport gets 5,000 acres and out of that, only 122 to 134 acres would be used for building an airport. We are told by reports that the rest would be used for developing malls, new townships, new hotels and what not. This is the non-aeronautical income, which the regulatory authority is going to look into. The Minister himself is not sure of what kind of non-aeronautical income would come into this fold. Today, the average non-aeronautical income all over the world is around 50 to 60 per cent, and in a few other countries like Australia, it is 78 per cent. Now, this is going to come into the Greenfield areas. If the regulatory authority is not going to look into it, what exactly is it going to look into? Is the regulatory authority going to look only into tariff and services, without monitoring agencies coming into the field? I am saying that what my friend, Shri Rudy, has said, has to be looked into because first of all, there has to be some kind of a study as to how much land we are providing against what is needed. That might not come directly under the Civil Aviation Ministry. It may be coming under the States; let us say, Bangalore, to which you have made a reference. I don't want to go into it because I have hinted at the point. Now, I go into

the recommendations of the Standing Committee. Shri Sitaram Yechury had gone, not once but twice, for a study to Hyderabad. He had presented a Report here. He went on record with the Press, and he had talked to the employees in Hyderabad and Bangalore, which is there on record. What he asks is: In respect of all the airports, which have been left out of use, why should they be kept non-used? So much so that according to the Report, something like Rs.438 crores is a loss at one place, and in Hyderabad, the loss is to the extent of Rs.232 crores. Who is going to fill it up? Mr. Minister must know that the Regulatory Authority, which is coming in, should take that into consideration, when you are looking into the overall aspect, when you are having a holistic approach to this kind of an economic regulation.

[THE VICE-CHAIRMAN (SHRI P.J. KURIEN) in the Chair.]

At least you are good enough to say that an employee is not getting water for Rs.2 or tea for Rs.2. Mr. Rudy is not from Hyderabad. I am from Hyderabad. The coffee at the airport, for his information, is Rs.110. And, you will not get coffee anywhere within the 7 kms. radius of the airport because the entire 7 kms. radius belongs to the new, what you have promoted as, green field airports. Now, what I am telling you is, the Regulatory Authority, that you are trying to create, is most welcome, is most needed, most timely. But it must also have powers that looks into things, like, non-aeronautical revenues, that are now becoming an essential major income revenue earning items.

Apart from this, I would like to say one other thing. In fact, I have submitted this morning a Report on Special Economic Zones. The Standing Committee, as a mini-Parliament, comprising our own Members, not only debates and discusses the issues, but they also meet the officers concerned, and after a thorough interaction discussion and deep deliberation, they come out with Reports. Now we all know how the Government is handling these reports! The Government does not take note of the Standing Committees' unanimous Reports. What kind of Parliamentary accountability we are trying to talk about is something which the Ministers, the Government and the Chair must take note of. We have unending, unabated cases, on which the Standing Committees' unanimous Reports have been given a go-bye, like, the one on SEZs, that we have given. But, today, everywhere, you have a SEZ. Right again, the very spirit of the word, comma, and full stop of the Report, have been violated. Now, about the Report of Shri Sitaram Yechury, the Minister says that important parts of it have been taken on to the Regulatory Authority. It is true where it is agreeable. But, in the overall aspect, what exactly the Committee wanted, what the spirit of the Committee's discussions and deliberations was, that a new metro or a green field airport, whatever name you want to give it, should be allowed, while at the same time, the convenience of the people, the needs of the people, and the economic wastage coming through the vacation of these developed airports, should also be taken into consideration. This is what the Karnataka High Court has said, when people went to the Karnataka High Court on an appeal. It was said that the old airport also should be used. But now, the new green field owner would come in the way; the Government would go their way. So, where do we go? So, the Regulatory Authority must look into this aspect. Mr. Gnanadesikan would speak on that. But all I would say is that the Regulatory Authority that you have thought of, the power that you are trying to talk of, the ideas that you are taking in, when you are trying to suggest regulations of economic activity, like tariff fixation or service fixation, you need to

take more items than what you have said in the Bill. When you say that you would also look into servicing and you say that you would determine the fixation based on service value, then, there is a need to have monitoring mechanism available to you. This mechanism should also become a part of the Bill, so much so that you regularly look into the services that you are providing. You said that you would look back into the things every five years. It should be three years in view of great technological changes; within three years, we can still look into those things. I can tell you, Sir, the aviation industry is doing wonderfully well. I know it may be nose-diving, but it hasn't crash-landed yet. It is going through some teething troubles; it is like adolescent maladjustment the problems are faced when adolescents steps into youth! These things can be sorted out. Now, you have come forward with some kind of a legislation where you are trying to provide for all that my friend, Mr. Rudy asked. This is how we have started, with good intentions. It picked up. It reached big heights. It is collapsing because we did not have regulation, because we did not have this kind of legislation. Now, we are thinking of this sort of legislation. Let that regulatory body, let that framework be comprehensive enough; let us have a wholistic approach to look into those things.

Coming to my last point, although you have referred to the Standing Committee's Report, Mr. Sitaram Yechury's Report and his views, kindly revisit the Report. It has 18 pages which you can just look into. If you revisit this Report, you would understand both the economics of it and the spirit behind it, the needs of the people, the needs of the travellers and the needs of the employees who are being thrown onto the streets, who are now on the streets of Begumpet rather than in their homes. I am saying that we welcome this, but urge more teeth; mere hissing will not help; we know we shall pass the Bill but, at the same time, let the hon. Minister keep in mind what exactly the growing needs are. We are not living in a static society. As the society develops, as the aviation industry develops, it comes up with its own variations, its own developing needs and you need to keep that in view. And, talking separately from the Bill, my appeal to you, to the Government, is, as the High Courts have said, as the people have asked, as the Standing Committee Chairman has requested, and as we have said on the floor of the House, kindly see to it that in places like Bangalore and Hyderabad, the old airports that are closed are, at least, reopened for intra-State or short distance travelling.

AN HON. MEMBER: Vishakhapatnam also.

DR. K. KESHAVA RAO: Vishakhapatnam also. And Bangalore which is 55 kms. from city. This morning only, some hon. Member raised a question about transport and the kind of traffic jams we see. In Bangalore, it takes people like us, close to one-and-a-half hour to travel from the Secretariat to the airport. There was also a suggestion that we should use a helicopter to reach there. The suggestion came from the Greenfield owner; he would run aircraft and not allow us use of our transport. I wish the Government takes a serious note of this. A regulatory authority, is the need of the hour, the need of the entire aviation industry and I welcome it.

SHRI TAPAN KUMAR SEN (West Bengal): Sir, there is no denying the fact that there must be a regulatory authority and regulatory mechanism in place in the light of the situation that has been created n the entire civil aviation sector. Airports are being operated both by the Airports Authority of

India as also many private operators. A host of private operators are coming in every day. We do not know what would be the fate of many other airports which are now under the Airports Authority. More and more private players are coming in. So, there being both the public sector operator and the private operator, we need a referee and, definitely, the regulatory authority is expected to play the role of a referee. Having said that, I would like to state it clearly that this situation is Government's own creation and that is why, we do not share that perception. The basic infrastructure, basically of a monopolistic character, like an airport, should continue to be under the Government control, should continue to be under the Airports Authority of India, and there is no point in allowing private players to operate in the airport area. But, anyway, that has happened. We could not stop it. We failed to stop it rather. Just the situation so created needs a regulatory mechanism, needs a referee to take care, so the Bill is here before us. The Bill is before the House and we are going to consider the whole thing. But, while placing the Bill before the House, what has been stated in the Statement of Objects and Reasons is this. I quote: "The Airport Infrastructure Policy formulated in 1997 provides for the private sector participation for improving quality, efficiency and increasing competition and as a result of this initiative," *i.e.* the policy for increasing competition, "the Greenfield Airports are now coming up in Bangalore and Hyderabad in public-private partnership". I stand confused rather. For increasing competition, two Greenfield Airports have come up, and two public sector airports in the same places under the Airports Authority of India are put under complete closure, non-operative stations, by banning all the commercial operations from there, and still we will say this is a competition! In the name of increasing competition, at least, be factually appropriate; be factually correct before this august House. Don't take the name of competition on anything. As was said by my previous speaker, the Ministry has deposed before the Standing Committee. Again, taking the name of competition, the Committee was further informed 'that the civil aviation sector, on the transport side, already has a market-based competition where fares, entry and exit of firms are market determined. The anti-competitive practices among airlines can be checked through the existing competition laws'. While the Standing Committee was examining this piece of legislation, the Civil Aviation Ministry has deposed before it by saying this. Why are they saying that the anti-competition laws are there to take care of that? In the transport sector, the role of private airlines is well known. And under their nose, just my friend, Shri Rudy, has explained, one after another takeover within private airlines and purchase are taking place together. Another operation was in motion that the national carrier's lucrative routes, one after another, are being surrendered to those private cartels, thereby creating a monopoly. As on date, more than 60 per cent market share is in the hands of the Kingfisher-Jet Airlines combine, while the national carrier's market share is just 14 per cent. I can't understand why the Air India is not operating any flights on the Kolkata-Hyderabad route, despite the Kingfisher and Jet flights every day in the morning going over-loaded and coming back in the evening? What is the reason for that? How is this competition? What kind of competition are you talking about? I admit that the purpose of bringing forward this Bill is to have a regulatory authority in place because there are many players and there must be a referee to discipline those conflicting players fighting with one another. We need a regulation. But don't talk about the competition. Enough is enough. Don't talk about the competition because the whole policy paradigm

is to shift a monopolised structure from public ownership to private ownership. I would like to quote my friend here, of course, he is not here today, that is why I am not taking his name. I am saying my colleague in Rajya Sabha, a great industrialist. I would like to quote here that this transfer of monopolisation from the public sector to private sector is practically an act of sabotage to the public ownership, and a private monopoly is far more dangerous than a public monopoly. At least, if your *aam aadmi* philosophy is to be taken into consideration, please don't talk about competition. Talk about regulation. We need it; practically, we need it. And, based on that, the Standing Committee has thoroughly examined it. The Standing Committee has given a host of suggestions, and they all must have been fully taken into consideration before bringing forward the Bill here. I fully agree with my previous speaker when there is a unanimous recommendation. I would have understood if there is a dissent, but when there is a unanimous recommendation of a Parliamentary Standing Committee by all the Members of all the parties – it is a mini Parliament - that unanimous recommendation must be honoured. Yesterday, it was not honoured in the matter of unorganised sector Bill. Today, again, you are quite selective on some of the very important basic recommendations. I request the hon. Minister to seriously consider those particular points referred to the Bill. I just want to have a concrete assurance from the Minister on this matter. The Standing Committee Recommendations have not been accepted. Firstly, the most important part – you have talked in the body of the Bill – in the Statement of Objects and Reasons is that the Regulatory Authority has to play an independent, unbiased role to regulate players of different interests, of different ownerships in the airport area. Then, the most important prerequisite is that the Members of the Regulatory Authority must not have even any pensionary linkage with any of the operator organisations. The Bill is not sufficiently guarded against that possibility. There must be a concrete provision in the Bill that such persons who are having linkage with the stakeholders' organisations let me tell you very clearly-like the private airport operators should not be taken in the Committee, even if they leave their job and immediately join. That should not be allowed. There must be a well, stipulated cooling period that after leaving that organisation some years, at least five or eight years must pass. Thereafter it should be allowed. *(Time Bell)* Please allow me to complete in a few minutes.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Your party time is eight minutes. That is over. You can take two minutes more.

SHRI TAPAN KUMAR SEN: Sir, I am just going to wind up. The hon. Minister must assure us that that thing will be included in the Bill in any form that they will not allow anybody from the stakeholders' organisations. There must be a minimum cooling period, and, I think, the Standing Committee Report was very specific on that.

The second point is, now if you don't take from them, where from do you get the expertise? I think, our country's defence sector is full of merits and talents and they have operational experiences. There will be no dearth of expert hands in understanding the aviation sector. It is all operational. There will be no dearth of experts. It can be sourced from that area. One more point is there. Of course, the hon. Minister has talked about that. At a later stage, you may consider that the airports having less than 1.5 million passengers per annum will be included at a later stage. The hon. Minister said, while placing the Bill before the House that as on date if you leave out the airports below 1.5 million passengers per annum, then it is 116 airports out of 130 airports in the country that

will be outside the purview of the Act. What remains in your regulation? I think, that must be brought under the purview of this Regulatory Authority. The Appellate Authority should be manned by anybody other than the members of the Regulatory Authority because the decision of Regulatory Authority can be challenged in the Appellate Authority. So it must be totally independent. Lastly, while concluding, I want a concrete assurance from the Minister on all these points. But, at the same time, at least while speaking, I think, he will definitely consider it for any reason but not for competition, for which this Bill is being brought about.

SHRI D. RAJA (Tamil Nadu): Mr. Vice-Chairman, Sir, I thank you for giving me this opportunity to participate in this debate. The Rajya Sabha, at least, has the opportunity to discuss this Bill. I understand the purpose of this legislation as explained by our hon. Minister, Mr. Praful Patel. It is to create a regulator in order to maintain a level-playing field between the services provided and fees charged by the Government-owned, private-owned and public-private partnership airports.

While broadly agreeing to this proposal, I would like to make a few concrete observations. One is that the Bill aims to create an authority which will have one Chairperson, and two persons, who are supposed to have achieved eminence as far as knowledge and professional expertise in aviation, economics, law, commerce or consumer affairs is concerned. I think, they must have some commitment for the welfare of employees also. It is not that everything is technical and professional. There is a human element also. The conditions of employees, the job security of employees and workers will have to be kept in mind when they deal with disputes.

I would also like to comment upon one point. When we regulate private airlines, one has to see that the national airline is protected. The Left has been fighting in defence of public sector airlines. One of my previous speakers, Mr. Rudy, also said that the Left cannot be absolved of the failures of this Government. In fact, the Civil Aviation was one sector on which the Left had to fight with the Congress-led UPA Government. We were fighting against privatisation of airports. We were fighting in defence of the Airports Authority of India. When the employees went on strike, the Left came out openly in support of employees in order to uphold the Airports Authority of India. That is why, when the Finance Minister claims that the fundamentals of our economy are strong, I would like to underline, it is because of the Left also. If the Left would not have been there, the fundamentals of this economy would not have been so strong as claimed by the hon. Finance Minister. It applies to the Civil Aviation Sector also. It is easy to attack the Left, but, it is because of the Left that you have some kind of a balance in your economy. There is the private sector, there is the public sector ...*(Interruptions)*...

SHRI PRAFUL PATEL: He is attacking you. ...*(Interruptions)*...

SHRI D. RAJA: That is why, I am replying to him also. ...*(Interruptions)*... Mr. Rudy, spoke in support of the national airlines and air carriers. I hope he will stick to it and his party will stick to it. Let us all, unitedly, defend the public sector national air carriers and the Airports Authority of India. Whether it is the Indian Airlines or the Air India, it is all Air India now. Let us defend our own Air India. Let us feel proud of our own national air carrier. Having said this, I must say that there is a need to

regulate the private airlines. Here there is a growth in air travel and growth is estimated to be, annually, at 8 per cent. Even today only three per cent of the population makes use of air travel. I stand corrected. Only three per cent of our population make use of air travel. If that is so, there is a possibility of further growth, and for this, infrastructure has to be developed. Here, when we talk of infrastructure, passengers are the key stakeholders; therefore, their interest must be kept in mind. Even when the price of air fuel comes down, the ticket prices do not come down. Now, the ticket prices are going up. Whether you call it 'low-cost air carriers', or, whatever it may be, the passengers are now under attack. For even hovering, the passengers are being charged. When the plane is not in a position to land, it has to hover around, then the passengers are charged and for every other thing, the passengers are charged. What are the Air Carriers, Airlines doing? That is for the Minister of Civil Aviation to look into; otherwise, this newly constituted body will have to look into this.

Then, there are issues relating to employees. Retrenchment is taking place. You have to see how to tackle the problem of retrenchment and job security of these employees. These private airlines will have to be regulated under the existing labour laws. They should not think that labour laws cannot apply to them. The employees' interest will have to be protected. In the recent past, we came, across employees being retrenched arbitrarily and there were strikes and struggles all over the country. The coming days will be witnessing more and more such things. I do not know whether this regulatory body will have anything to do with those employees and their interest. Sir, my previous speakers referred to the recommendations made by the Standing Committee. Why are these recommendations not being taken into serious consideration? They are not being taken into serious consideration not only by the Ministry of Civil Aviation, but also by the other Ministries. It is easy to say these are all recommendatory. It does not mandate the Government to accept. Then, why should we have such exercises of going into details of every Bill and the Standing Committee coming out with recommendations? I am not asking you alone, the Ministry of Civil Aviation; it is for the entire Government. But in this case, there is a unanimous report and it could have been given due consideration while framing these rules.

Now, with regard to some old airports, our Congress Members also referred to Bangalore-Hyderabad. Bangalore is so close to Chennai. Nowadays, instead of going to new airport, people prefer to travel by road or by train to Bangalore from Chennai. Because, it is easy to reach Bangalore by road or train instead of going by plane. It has to be considered in concrete terms why not use these old airports, which are not in use now, for domestic air travels, for such uses. The Minister will have to look into that issue, because they are now very idle. *(Time-bell)* So, while broadly agreeing to this Bill, I would like to ask the hon. Minister to look into the concrete issues which are agitating the minds of the people. In no way, in the name of level playing, you should allow the Airports Authority of India to be undermined, or, the National Airlines to be undermined. They need to be protected and the public sector airlines are always a safeguard for the economy and safeguard for the entire country. I strongly believe that public sector undertakings are a guarantee for the country's growth and progress. Any number of private players can come into the field but, finally, it is the public sector which is important in a country like India, Even in other countries, everybody is proud of

their national air carriers. In India also, we should be proud of our own national air carrier. We should extend all support to our national air carrier and support the initiatives taken by the Airports Authority of India. ...*(Time-bell)*... In the name of level-playing, they should not be undermined.

THE VICE CHAIRMAN (PROF. P.J. KURIEN): Please conclude.

SHRI D. RAJA: Then, you will have to regulate the private operators, private airports keeping the interests of workers in mind. The job security, the employees' interest should not be let down. I hope this newly going to be constituted body will look into this issue. Thank you very much.

SHRI M.V. MYSURA REDDY (Andhra Pradesh): Mr. Vice Chairman, Sir, thank you very much for having given me this opportunity. The objective of this Bill is to create a level-playing field among the airport operators and arrive the tariffs, basing it on the capital expenditure and revenues from aeronautical services and other non-aeronautical services. As per the Bill, the Regulatory Authority now can fix the tariffs of all those major airports which have a handling of more than one million passengers. Sir, obviously these airports are Mumbai, Delhi, Chennai, Kolkata, etc., which are Brownfield airports. Sir, Bangalore and Hyderabad are Greenfield airports. Sir, the Government has given permission to airport operators to fix their tariffs as per the OMDA and the Consigner Agreement, etc., for brownfield airports, and, for Greenfield airports, it is as per the amended Aircraft Rules of 1994. If the Government has already given its permission, I cannot understand what exercise would the Regulatory Authority do in this regard. It is just a futile exercise. I can only say that this is an infructuous Bill. The one thing that I would say is that the spirit of the Bill is lost. Sir, the basic fulcrum of arriving the tariff is the capital expenditure. Clause 13 (1) (a) of the Bill says, "... to determine the tariff for the aeronautical services taking into consideration: (i) the capital expenditure incurred and timely investment in improvement of airport facilities;..." This is the clause. That means, if we examine the capital expenditure of all these major airports like Mumbai, Delhi and Kolkata, we find for Delhi, it is Rs. 8890 crores. The capital expenditure of Mumbai, for handling 40 million passengers, is Rs. 7000 crores; while the capital expenditure for Kolkata is Rs. 1914 crores for handling 20 million passengers, and, for Chennai, it is Rs. 1808 crores for 13 million passengers. Sir, even for Kolkata Airport, the Planning Commission had objected that per passenger terminal cost is higher there. It means, if the number of the passengers is the criterion, the Mumbai-Delhi Airports should be having double the cost of the Kolkata Airport; nothing more than that. That means, the Government has approved more capital expenditure. Now, they are bringing forward the Bill. If they are basing it on the OMDA and Consigner Agreement, it means they have allowed the tariffs also. The Regulator cannot do anything in this after the Government approves this capital expenditure. The whole fulcrum of tariff will be built upon this capital expenditure. That is why I said that this is a futile exercise. It is an infructuous Bill. Sir, once we examined the Bangalore Airport. I think, it appeared in the Press recently. Their initial cost or the first-phase cost is Rs. 2000 and odd crore. But, now, for the second phase, they are asking for Rs. 4000 crores for small terminal and another runway. But when we examined this, the capital expenditure of this Airport is Rs. 2000 crores which is also a questionable thing. But the infrastructure created by the State Government is Rs. 7000-9000 crores, which is the taxpayers' money. But there is no capital expenditure. State Government subsidies and

bank loans are available, but there is no fresh investment to improve these airports, as the Minister has said. That is not correct. If we look at the charges, at the Delhi Airport, the charges for paved area that the Airport Authority of India used to collect was Rs. 337 crores per square metre, but now, the private operators charge Rs. 438 per square metre. The parking rate charged by the Airport Authority of India for cars is Rs. 20 while the private operators charge Rs. 60; similarly, it is Rs. 20 and Rs. 140, respectively, for bus parking. The Minister said that it was because of hike in the prices of petrol and that it would reduce when the prices reduce. But if you look at it, the Airport Authority of India used to collect Rs. 58 per kilo litre earlier, but now, Rs. 260 per kilo litre is being charged. However, this was added to the regulatory bill and I am happy about that. EFD charges of Rs. 375 are also being collected from every passenger at Hyderabad. They did not spare even the MPs. The MPs of Andhra have been waiting for reimbursement.

Then, Sir, in Clause 13 of this Bill, sub-clause 4 reads, "The Authority shall ensure transparency, while exercising its powers in discharging the functions by holding due consultation with all the stakeholders in the Airport by allowing all stakeholders to make their submission to the Authority." But it is not clear if the passengers using these airports would be classified as one of the stakeholders. Whether they can have the opportunity to be represented in the AERA is not clear in this Bill.

I would now come to the last point regarding cartels. Previously, the airline operators were not brought under the ambit of the AERA Bill. The Government said that there was a lot of competition and market-driven forces determined fares, and that was they were not bringing in airline operators. Now, slowly, as my colleague, Mr. Rudy, has said, small operators are being eaten up by big operators. For instance, Kingfisher Airlines took over Deccan Airlines. Recently, Sahara Airlines was taken over by Jet Airways and both were merged to form a cartel. How can the Government prevent such cartels? They are themselves allowing these cartels. Ultimately, the airport operators would loot consumers only. There is no provision in the AERA Bill to give representation to consumers. Hence, I would request the Government to take into consideration the Standing Committee recommendations, consequent to which cargo and non-aeronautical services have been included in the AERA Bill, but the consumer must also be represented in the Bill so that the benefits could be passed on to the consumers.

SHRI B.S. GNANADESIKAN (Tamil Nadu): Sir, I sought permission to seek clarifications on certain clauses of the Bill, but after listening to the scintillating speeches of my respectful colleagues, Shri Rudy and Dr. Keshava Rao, I wish to add a few things more to the clarifications I wish to seek, of course, with the permission of the Chair and the hon. Minister for Parliamentary Affairs.

Sir, I wish to make a couple of points. The object of the Bill seems to be, firstly, regulating tariffs and other charges for the aeronautical services rendered at the airports, and monitoring performance standards of the airports.

Sir, to begin with, I concur with my respectable colleague, Dr. Keshava Rao, that the unanimous Report of the Standing Committee must be respected and accepted by the Government. If there is no dissent, then meaningless reports would come. Members from various parties

constitute the Standing Committee so that a thorough deliberation is made, and if the recommendations of the Standing Committee are not accepted, these committees would be reduced to a mockery. Therefore, I endorse the suggestions of my respectable colleagues and I request the Government to consider them. Sir, before going for clarifications, I congratulate the hon. Civil Aviation Minister and the Petroleum Minister for saving the lives of young boys and girls in the Aviation sector. Otherwise, they would have faced retrenchment. Because of the timely intervention, their jobs were saved. I request the hon. Minister to see that in future there is no retrenchment. Whether they are temporary or probationers, the Airlines should see that they are protected. They cannot say that Aviation sector is in the loss. As an air passenger, I know that there are a lot of wasteful expenditure committed by airlines like offering pens, sweets, etc. There are several things which can be avoided. The job can be saved by cutting cost in other things, which the private airlines are doing. For instance, except during lunch time and dinner time, they could even avoid the wastage of food, and that cost also can be saved so that jobs will not be cut. Jobs are more important rather than these fancy items. Another thing which I want to say is that like gambling, air gambling is going on in the airlines nowadays. We don't know what will be the ticket price today or tomorrow. From Chennai to Delhi, we can come for Rs.4500 or Rs.5000. But from Madurai, they are charging Rs.7000. So, this air gambling must be stopped forthwith. This is a gambling. Today, they say Rs.5000; tomorrow they say Rs.7000. I don't know how they fix prices? This should also be stopped and the hon. Minister must take it into account. Secondly, Sir, fewer airlines, as *Mr. Rudyji* and Mr. *Rajaji* mentioned, have now started charging congestion surcharge from Rs.150 to Rs.300. The Jet Airways and Kingfisher have started now. Only Air India, the national carrier, is not charging. My information is that all other carriers are now charging congestion surcharge, and Air India is not charging that surcharge. That also must be taken into account. Sir, my friend, Keshava Rao mentioned about 5500 acres of land. I was shocked and I was asking my friend from Andhra as to what happened to that 5500 acres of land for airport. I am told that this land was acquired during NDA's time, not during the UPA time. So, I want to put that on record. There are some other clarifications. Of course, the Civil Aviation Minister is not responsible for that; it is the Law Ministry which is responsible. In the Ministry, drafting is done by bureaucrats, and I want the Civil Aviation Minister to see that some legal mind is also employed in all Ministries. If the Law Ministry drafts the Bill, it must be vetted properly. Sir, there are two or three suggestions which I want to make in the Bill. First is regarding clause 4(1). As per this clause, the Secretary and Additional Secretary are qualified to become the Chairman. But, Sir, the Defence services are left out. In the Parliamentary Standing Committee Report, they have specifically said, "Why is there an ambiguity on that? The Defence services must also find a place." In clause 15 of the Committee's recommendations at page 7, it is said that ambiguity should be clear and the Defence services must also find a place in getting appointment. In the Sixth Pay Commission also, the representatives of the Defence Services were kept out. The Committee has noted at page 7 of the Report that the Defence services also must be accommodated in these matters. Sir, in clause 6, commercial employment is prohibited. I want to dispute not only commercial employment, but any employment. Similarly, in clause 17(A)(ii), provision is there regarding adjudication between a service provider and a group of consumers. If it is an individual case, he has to go to the Consumer Forum, and if it is a group of persons, they have to come to the Appellate Tribunal. Sir, I want to say

that why one individual has to go to the Consumer Forum and a group of persons must come to the Appellate Tribunal. Therefore, Sir, I request you to kindly look into that. ...*(Time-bell)*... Secondly, Sir, in clause 24, the removal procedure is also cumbersome. That also must be taken into account. Then, the last point is regarding clause 37 and 39. I feel that the word 'wilfully' has to be deleted. This word will give a scope for escape when a direction is given by an authority or an Appellate Tribunal. If they say that they have not wilfully disobeyed, that word 'wilfully' gives scope for escaping from the jurisdiction of the court. Therefore, I would request the hon. Minister to see that this word is deleted. I have not wilfully exceeded my time. Thank you, Sir.

श्री राम नारायण साहू (उत्तर प्रदेश): धन्यवाद, उपसभाध्यक्ष जी। हालांकि आपने मुझे समय बहुत कम दिया है। ...**(व्यवधान)**...

उपसभाध्यक्ष (प्रो. पी.जे. कुरियन): बोलिए, बोलिए।

श्री राम नारायण साहू: आपने जितना समय दिया है, मैं उसी हिसाब से और अनुशासन के अंदर रहकर ही अपनी बात कहूंगा।

उपसभाध्यक्ष जी, मुझे आपके माध्यम से सदन में एक बात कहनी है कि डेवलपमेंट की बात होनी चाहिए और जहां पर जो कोई कमी है, उसके बारे में बात जरूर होनी चाहिए। हमारे पूर्व वक्ता जिन्होंने यह बहस शुरू की थी, वे शायद चले गए हैं। उन्होंने अपने बीस मिनट के भाषण में सोलह मिनट तो अतीत की बात कही तथा चार मिनट वर्तमान की बात कही और फ्यूचर की कोई बात ही नही की। बजाय हम पीछे की बातों पर क्रिटिसाइज करें, हम इस बात का ध्यान रखें कि आने वाले समय में हम और कौन सी चीज रखें, ताकि लोगों को बेहतर सुविधा मिल सके। हमारी पब्लिक के ऊपर किराए का ज्यादा बोझ न पड़े और हवाई अड्डों की सुविधाओं को भी सुधारें। लोग कहते हैं कि साहब, मैंने इसकी शुरूआत की थी और अब सोनिया जी उद्घाटन करने जा रही है या दूसरे साहब उद्घाटन करने जा रहे हैं। अरे भाई! यह लोकतंत्र है, इसमें एक पार्टी आती है और दूसरी पार्टी जाती है। यहां पर हमेशा के लिए कोई रहने वाला नही है। किसी का फायदा कोई उठाता है और किसी का फायदा कोई उठाता है। जिस समय डॉ. मनमोहन सिंह जी फाइनेंस मिनिस्टर थे और उन्होंने जो पॉलिसी लागू की तथा उससे जो देश को फायदा हुआ, तो उसकी हिस्सेदारी इधर वालों ने भी बंटाई। इस बात को क्रिटिसाइज किया जाए कि मैंने यह किया, मैंने यह किया, तो जो मूल समस्याएं हैं, हम उनका ध्यान रखें। स्टेंडिग कमेटी ने जो रिपोर्ट दी है, उसमें जितनी पॉजिटिव चीजें हैं, हमें उनको अपनाना चाहिए ...**(व्यवधान)**... मैं मंत्री जी से कहना चाहूंगा कि लखनऊ उत्तर प्रदेश की राजधानी है और लगभग अठारह करोड़ की आबादी का यह प्रदेश है, इसलिए आप उसके ऊपर ध्यान दें ...**(व्यवधान)**...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): I request the hon. Members to please manitain decorum.

श्री राम नारायण साहू: इंटरनैशनल फ्लाइट से पश्चिमी यूपी के लोग तो दिल्ली से चले जाते है, लेकिन जो मध्य यूपी के लोग हैं या पूर्वांचल के लोग हैं, उनको दिल्ली आना पड़ता है। अगर उनको लखनऊ से इंटरनैशनल फ्लाइट मिल जाए, तो इससे लोगों को फायदा होगा और आपको भी बहुत बेनिफिट मिलेगा। आपने दो-तीन इंटरनैशनल फ्लाइट तो चलाई है, लेकिन वे कम है, इसलिए आप और इंटरनैशनल फ्लाइट्स चलाएं। आप थाईलैंड के लिए चलाएं, सिंगापुर के लिए चलाएं या जो वहां से और फ्लाइट्स जा सकती हैं, उनको चलाने का प्रयास करें। हमारे प्रफुल्ल पटेल साहब लखनऊ गए हैं या नहीं गए हैं, मुझे नहीं मालूम है। लखनऊ अपने आप में

एक बड़ा शहर है। आप नागपुर को ले लें, जयपुर को ले लें, भोपाल को ले लें या अन्य किसी शहर को ले लें तो यह उनसे बैटर ही है। कमजोर नही है। मैं यही चाहता हूं कि पुरानी बातों को न दोहराया जाए कि ऐसा हुआ, वैसा हुआ, हमें आगे के लिए सुझाव देने चाहिए कि हम बेहतर कैसे बना सकें और जनता को कैसे ज्यादा सुविधा मिल सके। ये पार्टियों तो आती रहेंगी, जाती रहेंगी, सत्ता कभी एक पार्टी के साथ नहीं रहती है। आपने बोलने का समय दिया, बहुत-बहुत धन्यवाद।

SHRI PRAFUL PATEL: Sir, I am very thankful to all the hon. Members for having enlightened not only the House but also myself and the Government on various issues which we should be looking at for bringing in more regulation, and better regulation, in this sector.

I would also like to place on record my appreciation for the valuable suggestions placed by the Standing Committee and my colleague, the Chairman of the Standing Committee, Shri Sitaram Yechury, for having gone through the entire Bill in detail and having given us various valuable suggestions.

As I said, at the outset, since many Members have referred to the Standing Committee and its unanimous Report, I would only like to state, and I state again what I said earlier. Mr. Yechury was not present in the House at that time. I said that the Standing Committee had given us very important suggestions. It has been the endeavour of the Government to try to incorporate your suggestions to the maximum. So, it is not to say that, in any way, we have overlooked, or ignored, or tried to bypass most of the valuable suggestions.

In fact, at the outset, actually I did pay a compliment and did state the intent of the Government. I do not want to go into very long details. I cannot but help answer and at least try to rebut some of the accusations and allegations made, especially started by my predecessor, who is sitting there.

As he was suggesting to my smiling, I also say that he is smiling because he knows what exactly I am going to say, because I can find many faults. But I will not go into too many things of that sort. All I can say is that it took four Civil Aviation Ministers from his side before I came in, and what those four could not do, we have tried to do within a short span of four years. Instead of paying us a compliment, you have chosen to attack us. it's fine. But all I can say is, चार के बराबर एक और आधा भी काफी है।

Anyway, all I can say is that he was talking very passionately about the national carrier – and so am I. I would only like to state about the six-and-a-half years of their combined rule. He was referring to the BJP. I thought it was the NDA which ruled. And here it is the UPA; it is not just the Congress Party. It is one thing that you are so passionate about the national carrier.

I only want to remind you that during your six-and-a-half years, tenders for privatisation of the Air India and the Indian Airlines had been out and they were almost at the stage of deciding as to who would be the new private owner of our national carrier about which you spoke so passionately.

I would just try to remind you about the Tata-Singapore bid for the Air India. I also want to remind you that we did not want to think on the lines of yours and your combine. I would refer to it as a motley mix of people who just tried to come together and give a good combination. I also want to

tell you that it is during the previous Government's time that the national carriers actually faced the heat of the competition and lost out to the private carriers, precisely because you chose not to arm the national carriers with the ammunition, that is, the procurement of new aircraft. How did you expect the national carriers to succeed? During the tenure of your Government you actually consciously chose to kill them and bring to a situation where they could just simply not compete, and gave way to all the private carriers which took that open space. All of us in this House know that ever since the late Prime Minister Rajiv Gandhi, nobody in the successive Governments took the initiative of getting aeroplanes for the Air India and the Indian Airlines. It was under the leadership of Dr. Manmohan Singh that this Government took that bold decision. Not only to first take a decision that we will not privatise the Air India and the Indian Airlines under any circumstances, but also took the bold decision of buying aircraft and equipment worth almost Rs.35,000 crores plus for our national carriers. So, let us not get into the emotional and passionate appeal of trying to just make nice sound bytes on the television or in the House. The fact is that what little was done had to be brought out because you chose to attack us the other way. I am surprised when you yourself said that there was a cartelisation at that time of the Indian Airlines, Jet Airways and Sahara Airways. You were the Minister for Civil Aviation. How could the Indian Airlines have participated in the cartelisation? Today, if some Members spoke here about congestion charges and other charges being levied by private carriers and the Air India is not charging those congestion charges, it is precisely because the Ministry and the Government is conscious that the Air India can't be a party to any kind of cartelisation and any kind of wrongful charges which the private airlines may choose to charge. I am going by only the argument that you have put here in this House. It is not very relevant to the Bill or to any of the issues which you have mentioned. Since you chose to highlight those issues, I just thought that I should, at least, set the record straight here.

I don't want to go into any other details. But there is one more thing. You spoke about the Jet Airways and the Sahara Airways coming together; you spoke about the Kingfisher and the Deccan Airways coming together. But you said that the coming together of the Air India and the Indian Airlines coming together is a disaster. I would also like to tell you that coming together of two airlines does not spell disaster. Coming together of two airlines is only to strengthen and it is only to fortify them against the kind of growth that the entire civil aviation sector is witnessing and the fragmentation of the resources, and to make absolute better use of whatever little infrastructure that we have and we have achieved a lot in the last four years. I will spell it out only four years because during the earlier regime, no matter how much you might have tried to give a fillip to this sector, unfortunately, you didn't have the desire and you didn't have the passion or the will to execute and implement all those novel ideas which you talked about. Ultimately, it requires determination and an open mind. That is what we have tried to demonstrate in these last four years. A lot of Members spoke about fares and other issues. Let me be very honest that competition has led to more choice, better service and better fares and more connectivity. When I refer to airports in 2004, fifty airports of India were connected by air services. Today, 90 airports of India are connected by air services. Let us accept one fact. Let us not also just try to brush everything under the carpet. Ultimately, more

choice, more competition and more private airlines have also given some kind of a balance to the sector. Fares came down. I am not talking of the current scenario because it is completely a different issue because of the high cost of fuel. But on the whole, if aviation has witnessed a high growth it is purely on account of one of these phenomena that there is an element of competition. Yes, there could be some issues and areas for improvement. I don't get into that. I am not trying to say that all is well and, therefore, we can't have any scope for improvement. Certainly, we concede that. One of our hon. Member has said that nothing is static, and I also agree. Everything is in a dynamic situation. We will evolve. If there is something which is required for the sector, for better regulation of the sector, if there is anything which will enhance the consumers' satisfaction or employees' satisfaction, why should we not look at it? We are certainly open to any kind of ideas or any further issues which the hon. Members or, may be, the Standing Committee would like to enlighten us.

On the Standing Committee Report, I would just like to say that I have just read it in the newspapers. I have not seen the Standing Committee Report. But I can only state, on that basis, that one of the reports mentioned today in 35 non-metro airports the non-aeronautical side, the terminal side and all that are going to be developed in public-private partnership. I would like to state very clearly – the Ministry in its deposition before the Standing Committee has also clarified – I would like to state this on the floor of the House that there is no question of public private participation in the terminal development of these 35 non-metro airports. I have made it very clear. Therefore, let us be clear about one thing that airport development is an ongoing process, One of my colleagues, Shri Mysura Reddy, mentioned that 1.5.....

SHRI SITARAM YECHURY (West Bengal): Mr. Minister, would you yield for a moment? Sir, I am very happy that the Minister has given this assurance. The Government must stick to it. I would request the Government to persuade the Planning Commission not to be an obstacle and allow the Government to go ahead and implement this because this decision was taken nearly three years ago. It has still not been implemented.

SHRI PRAFUL PATEL: I appreciate your sentiments. But at the end of the day, I am stating this as Government's final decision. Suggestions do come in the process of discussions and deliberations. I am not trying to state whether any view is right or wrong. All I am saying is, this is a view which has, finally, been taken by the Government. That is why I am just referring to it. As I said, I am just stating it. I have not seen the report as yet because you have tabled it only yesterday. But going by the newspaper reports, I thought I should now allow these kinds of apprehensions which are, sometimes, created wrongfully. I would say, Rajaji was right. When he said, "Only five per cent", I said "Three per cent". Today in our country, in spite of all the growth that we are witnessing in aviation, that is still very, very small as compared to most of the major countries. A country of our size, in terms of population and geography, requires far more number of aircraft. After all, you see the kind of interest which the airports and airlines are now generating even in Parliament. When I came to Parliament in 1991, I used to be very keen that a railway line or the stoppage of a train should be there in my Constituency. Today, as much as that is important, everybody is keen that an airport should come up in his Constituency or connectivity should be there in his Constituency. Again this is a dynamic position. This is a situation which is evolving. Aspirational change, economic change, social change, all these things are reflected in air travel. This is one of those issues where change has

come in. Therefore, I do not want to go into every single aspect. All I would say is that most of the issues which the Standing Committee has mentioned, as I said earlier, regarding cargo, ground handling, etc., which were not covered earlier by the Bill, we have tried to incorporate those suggestions. So far as 1.5 million passengers and above at airports is concerned, I can state very categorically that the Bill has an express provision, which only says that, at the moment, it will be airports with 1.5 million passengers and above. All the remaining airports with less than 1.5 million passengers, fortunately, at the moment, are owned and operated by the Airports Authority of India. It is not that tomorrow they cannot be brought within the ambit of the regulation. It has express provisions. The other issue was about Members on this kind of a Regulatory Authority. There are express provisions. There are so many regulatory authorities in our country. We cannot say that any of those authorities are working in a biased or any other kind of a fashion. We cannot attribute motives. There are well laid down procedures. People will be appointed on merit and, certainly, in the rules, we can incorporate some of the safeguards which you have rightly mentioned here. So I do not see any particular reason why the recommendations of the Standing Committee or the spirit of those recommendations cannot be incorporated in this legislation either through the Act itself or the rules which will be framed subsequently. I would not go into all the details. The hon. Members have raised many issues. But at the moment, I would like to set the record straight. The hon. Member talked about crash landing and many other things. शुभ-शुभ बोलो भाई। क्यों ऐसा बोलते हो? हवाई जहाज में आप और हम भी बैठते है। मेरा इतना ही कहना है कि वर्तमान परिस्थिति मे in today's time, it is not Government's making; it is an international situation. In fact, look at situation all over the world. Mr. Rudy, you should be more enlightened being a predecessor of mine in this Ministry. You know as to what is happening in other countries of the world. Airlines are closing in Europe, in America, in Asia or are being merged or are being taken over. As compared to all that, we are trying to still instil a sense of confidence. And, whatever the Government may be saying is not a bailout package. Nobody is writing a cheque from the Government to any airlines, be it a private airline or a public airline. In fact, all that the Government, the Petroleum Ministry and our Ministry have been trying to do is to give some kind of an accommodation. It is not a relief. It is not that the money is not going to be recovered. Instead of a 60-day credit, the credit is being extended to 90 days. And, after all, as you rightly said, today, air travel is an equally important medium of public transportation. It is not only that the rich man flies. Most people, even in this room or outside, who never used to fly earlier of their own choice, have taken to the skies today. You must give credit for that, whether you like it or not. You could not do it during your tenure. You talked of Deccan Aviation being given licences at low cost. I would like to remind you that there is no definition of a licence as low cost or high cost. All licences are the same. Therefore, it was this Government which actually facilitated the growth of the sector of this segment, what we call, the low cost or the low fare segment. So, let us not fool each other by trying to say, "I did this and I did that." Maybe, you did some good things. I will compliment you for that. But since you only chose to criticise me for whatever we did not do, I only thought I should report only that to the House. I will not report to the House the good things that you did because you did not choose to compliment me for any good thing. I will repay you with the same coin. But I would not go into further details. I would only like to say that this is a well-intentioned

piece of legislation. It is a step in the right direction. It is a step to regulate a sector which has seen no regulation at all so far. And, I am sure, as my friend, Dr. Keshava Rao, said, no position is static; it is dynamic. There will be more regulations, and more legislations to regulate it will come in the future. In fact, after this, hopefully, in the coming months, we will also be seeing the Carriage By Air Act, which is being passed in the Lok Sabha. That also has a lot of provisions for further giving a regulatory and a legal framework to the aviation sector. So, there are many things which are happening, many things which will come in the future. All I can say is that the Government's intention, at this moment, is to see that we start with the regulation, at least of the airports, to begin with. And, I am sure, if you really go through the powers which we have, the DGCI and even the Ministry have enough regulatory powers. It is not that we do not have it. But, here, we are trying to have an arm's length approach. We do not want to have a conflict of interest because the Government, as an administrator, as a regulator, is not against the best interest of any of the stakeholders in aviation. So, that is the intention of this legislation. I would request you, let us not get into all these issues.

In terms of competition and other issues, I can only say that in spite of mergers, in spite of whatever is happening, there are still eight airlines which operate in India. As my friend, Shri Santosh Bagrodia, who is now, of course, my colleague in the Government, as a Member of the Consultative Committee, always used to talk of competition. Today, you have a choice. If the Jet Airways or the Kingfisher, or, for that matter, any airline is not giving you the best fare, you have the next best option. So, it is a question of people having the choice and freedom. That is why this sector is growing, as we have seen in telecom and other sectors. Competition, opening up of market, has improved services.

SHRI PENUMALLI MADHU (Andhra Pradesh): What about Begumpet airport?

SHRI PRAFUL PATEL: As regards Begumpet airport and Bangalore airport, I have also stated in the past that we have certain contractual obligations, and my friend, Mr. Rudy, should be the last person to object to it, because some of these so-called provisions had been incorporated during my friend's erstwhile tenure. That is why I chose not to go into too many things because these were some of the good things he did. I can tell you, the Government's intention is not to see that anything is of a monopolistic nature. Certainly, we will keep an open mind, within the framework of the law. After all, the Government does not function on its own. There is something called the law. We have to respect it. So, there are certain contractual obligations. But, having said that, I respect the sentiments expressed by all the Members, and I would only say..

SHRI M.V. MYSURA REDDY: What about airline operators being brought under AERA?

SHRI PRAFUL PATEL: As I said, we can look at those regulations because this is a completely different area of infrastructure. In terms of user charges and other issues, I can only say that tolling of roads or any other infrastructure is an accepted norm. This is a new concept because, for the first time, we have started building airports with this kind of capital expenditure. Earlier our airports never entailed this kind of capital expenditure. Therefore, this is an accepted medium not only in our

country but worldwide. We have accepted it in the case of roads and all that, but airports are no different. Therefore, it is related to capital expenditure and that is why this regulatory authority is equally more important actually to see whether that kind of capital expenditure has been incurred or not, whether they are actually going to recover the cost and even for aeronautical revenues and non aeronautical revenues. In fact, non aeronautical revenues will be counted for determining the tariff. Ultimately, the tariff is what is going to be levied to the airline and to the customer, the UDF and, therefore, the non aeronautical revenue, in a way, will lessen the burden for determining the tariff whether it is to the airline or to the passenger. That is why I would say the spirit of all what Mr. Sen and other friends have said here has been taken care of in this legislation. I am sure any other sentiments that you have expressed here, whatever other safeguards that we can incorporate, we will certainly do it while framing the rules for this legislation. But, with these words, Sir, I would like to thank each and every Member for having taken such passionate interest in this new sunrise sector, in spite of what my friend, Mr. Rudy, might say; it is genuinely sunrise sector in the last four years. Before that अंधकार ही था, अभी उजाला दिख रहा है। तो उजाले में आपका भी साथ और सहयोग रहे, इसीलिए। would ask the House to take it into consideration and give its fullest support for seeing this legislation through.

श्री अमर सिंह (उत्तर प्रदेश): यह उजाला सिर्फ जेट के लिए है या यह उजाला एयर इंडिया के लिए भी है?

श्री प्रफुल्ल पटेल: एयर इंडिया के लिए तो विशेष उजाला है। मैंने पहले ही कहा, अमर सिंह जी, हमारे भाई, आप थोड़ा लेट आए वरना मैंने शुरूआत ही उसी से की थी कि हमारे मित्र श्री राजीव प्रताप रूडी के समय से और उस सरकार के समय में एयर इंडिया को बेचने का जो एक सिलसिला था, उसको हमने रोका, संवारा, नए हवाई जहाज लाए और आगे आपके आर्शीवाद से और भी आगे बढ़ेंगे।

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): The question is:-

That the Bill to provide for the establishment of an Airports Economic Regulatory Authority to regulate tariff and other charges for the aeronautical services rendered at airports and to monitor performance standards of airports and also to establish Appellate Tribunal to adjudicate disputes and dispose of appeals and for matters connected therewith or incidental thereto as passed by Lok Sabha be taken into consideration.

The motion was adopted.

THE VICE-CHAIRMAN (SHRI P.J. KURIEN): We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 55 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI PRAFUL PATEL: Sir, I move:

That the Bill be passed.

The question was put and the motion was adopted.

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RE: CLUBBING OF THE BILLS

THE VICE-CHAIRMAN (SHRI P.J. KURIEN): Now, Shri T. R. Baalu to move the motion for consideration of the Indian Maritime University Bill, 2008.